

BUREAU OF AUTOMOTIVE REPAIR

Specific Language of Proposed Regulation Amendment

Legend: Deleted text is indicated by ~~strike through~~.
Added text is indicated by underlining.

(1) Section 3361.1 of Division 33 of Title 16 of the California Code of Regulations is amended to read as follows:

§3361.1. Automatic Transmissions.

The following minimum requirements specifying accepted trade standards for good and workmanlike rebuilding of automatic transmissions are intended to define terms that have caused confusion to the public and unfair competition within the automotive repair industry. The term “automatic transmission” shall also apply to the automatic transmission portion of trans axles for the purposes of this regulation. These minimum requirements shall not be used to promote the sale of “rebuilt” automatic transmissions when a less extensive and/or less costly repair is desired by the customer. Any automotive repair dealer who represents to customers that the following sections require the rebuilding of automatic transmissions is subject to the sanctions prescribed by the Automotive Repair Act. All automotive repair dealers engaged in the repair, sale, ~~and or~~ installation of automatic transmissions in vehicles covered under the Act shall be subject to the following minimum requirements:

(a) ~~Inspection.~~ Before an automatic transmission is removed from a motor vehicle for purposes of repair or rebuilding, it shall be inspected. Such inspection shall determine whether or not the replacement or adjustment of any external part or parts will correct the specific malfunction of the automatic transmission. In the case of an electronically controlled automatic transmission, this inspection shall include a diagnostic check of the transmission’s electronic control module and its associated components. If minor service and/or replacement or

adjustment of any external part or parts and/or of companion units can reasonably be expected to correct the specific malfunction of the automatic transmission, then prior to removal of the automatic transmission from the vehicle, the customer shall be informed of that fact as required by Section 3353 of these regulations. Before removing an automatic transmission from a motor vehicle, the dealer shall also comply with the provisions of section 3353(b), and disclose any applicable guarantee or warranty as provided in sections 3375, 3376 and 3377 of these regulations. If a diagnostic check of an electronic control module cannot be completed due to the condition of the transmission, the customer shall be informed of that fact, and a notation shall be made on the estimate, in accordance with Section 3353 of these regulations.

~~(b) Use of Words. When the word “exchanged” is used with any of the following expressions, to describe an automatic transmission, it shall mean that the automatic transmission is not the customer’s unit that was removed from the customer’s vehicle. An automatic transmission shall be described by a word such as “rebuilt,” “remanufactured,” “reconditioned,” or “overhauled,” or by any expression of like meaning, only if the following work has been done since the transmission was last used:~~

(c) Any automotive repair dealer that advertises or performs, directly or through a sublet contractor, automatic transmission work and uses the words “rebuilt,” “remanufactured,” “reconditioned,” or “overhauled,” or any expression of like meaning, to describe an automatic transmission in any form of advertising or on a written estimate or invoice shall only do so when all of the following work has been done since the transmission was last used:

(1) All internal and external parts, including case and housing, have been thoroughly cleaned and inspected.

(2) The valve body has been disassembled and thoroughly cleaned and inspected unless otherwise specified by the manufacturer.

(3) All front and intermediate bands have been replaced with new or relined bands.

(4) All the following parts have been replaced with new parts:

(A) Lined friction plates

(B) Internal and external seals including seals that are bonded to metal parts

(C) All ~~M~~metal sealing rings ~~that are used in rotating applications~~

(D) Gaskets

(E) Organic media disposable type filters (if the transmission is so equipped)

(5) All impaired, defective, or substantially worn parts not mentioned above have been restored to a sound condition or replaced with new, rebuilt, or unimpaired parts. All measuring and adjusting of such parts ~~have~~ has been performed as necessary.

(6) The transmission's electronic components, if so equipped, have been inspected and found to be functioning properly or have been replaced with new, rebuilt, or unimpaired components that function properly.

(7) The torque converter has been inspected and serviced in accordance with subsection (d) of this regulation.

~~(e) Inspection of Torque Converter.~~ (d) The torque converter is considered to be part of the automatic transmission and shall be examined, cleaned, and made serviceable before the rebuilt, remanufactured or overhauled transmission is installed. If the torque converter cannot be restored to a serviceable condition, then the customer shall be so informed. With the customer's authorization, the converter shall be replaced with a new, rebuilt, remanufactured, reconditioned, overhauled, or unimpaired used torque converter. A torque converter shall not be represented as

rebuilt, remanufactured, reconditioned, or overhauled unless the torque converter shell has been opened, all components of the overrunning clutch assembly have been inspected and replaced as required, all friction materials have been replaced as required, all rotating parts have been examined and replaced as required, the shell has been resealed, and the unit has been pressure tested.

~~(d) Estimate to Tear Down, Inspect, Report, and Reassemble. Before removing and disassembling a transmission, the dealer shall give to the customer a written estimate which shall include all of the following:~~

~~(1) price to tear down, inspect, report and reassemble as provided in subsection (b) of Section 3353 of these regulations;~~

~~(2) price to rebuild the transmission and replace torque converter if necessary, but excluding the price to repair or replace other hard parts as may be required pursuant to Section 3361.1(b)(5);~~

~~(3) whether or not a warranty/warranties will be provided;~~

~~(4) price of any warranty/warranties provided; and~~

~~(5) copy of, and/or advise as to the availability of, the text of any warranty/warranties provided in accordance with applicable federal and/or state statutes and regulations; and~~

~~(6) a clear and conspicuous statement in the following language:~~

IMPORTANT NOTICE

The price of installing an exchange rebuilt transmission and torque converter in your vehicle, excluding other hard parts, is \$_____. The price of this same service if we rebuild your own transmission is \$_____.

Frequently hard parts do not need to be replaced. The purpose of the teardown and inspection is to determine what hard parts are needed, if any.

You have a right to:

(A) the return of your replaced parts unless you are informed otherwise;

(B) know the maximum time in which the repair shop must reassemble and reinstall your transmission if you do not authorize the service the shop recommends;

(C) have your transmission reassembled and installed for the price of the teardown; and

(D) know the prices, terms, and conditions of all warranties, if any.

Check the appropriate boxes below.

☐ Yes. Save my parts for inspection or return upon receipt of the vehicle or for ____ days thereafter.

☐ No. I do not want to inspect my parts.

☐ Yes. I understand that my transmission will be reassembled and installed in my car within _____ days of the date shown below if I choose not to authorize the service the shop recommends. This will be done for \$_____ the price of the teardown.

☐ Yes. I have read and understand the prices, terms, and conditions of all warranties provided.

Customer's Signature

Date: _____

The dealer shall fill in the blanks and shall require the customer to date and sign the "Important Notice" statement in the space provided before removing the transmission from the vehicle. If the customer is not present to receive all of the above information, the dealer shall convey the information orally to the customer, before removing the transmission from the vehicle, and shall document the information according to Section 3353(d) of these regulations.

~~(e) Invoice Requirements. All hard parts replaced pursuant to Section 3361.1(b)(5) shall be recorded on an invoice pursuant to Section 9884.8 of the Business and Professions Code and Section 3356 of these regulations.~~

Note: Authority cited: Sections 9882 and 9884.19, Business and Professions Code. Reference: Sections 9884.7(a), 9884.8, 9884.9(a) and 9884.19, Business and Professions Code.